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FILED MAR 16 1984

SENATE FILE 2328

BY COMMITTEE ON WAYS AND MEANS

Approved 3/16 (p. 893)

Passed Senate, Date 4-3-84 (p. 1253) Passed House, Date 4-19-84 (p. 2385)

Vote: Ayes 35 Nays 9 Vote: Ayes 60 Nays 35

Approved May 11, 1984

A BILL FOR

1 An Act to amend the Iowa pari-mutuel wagering Act and providing
2 that part-time and seasonal employees of the racing commis-
3 sion are not under the merit employment system.

4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

SENATE FILE 2328 FISCAL NOTE

REQUESTED BY SENATOR PALMER

In compliance with a written request there is hereby submitted a Fiscal Note for Senate File 2328 pursuant to Joint Rule 17.

Senate File 2328 makes several amendments to the statutes applica- ble to pari-mutual wagering. These include a provision for a tax credit to horse racing licensees of up to five percent of the gross sum wagered each year. The credit is to be used for retir- ing the annual debt on the cost of construction of the licensee's facility. The credit shall first be assessed against any share going to a city, than to the share going to a county, and then to the share going to the state.

The staff of the Racing Commission believe that construction and operation of a horse racing track is not economically feasible under current law, and that the tax credit will encourage the con- struction of one or two horse tracks in Iowa. It is projected that the pari-mutual handle from a horse track would be \$41,250,000 in FY 1986.

Assuming the tax credit in Senate File 2328 docs result in the construction of a horse track that otherwise would not be built, there would be an increase in revenue of \$412,500 (one percent of the handle) to the state, and no impact on cities and counties.

If a horse track within a city is constructed that would have been built without the credit, the bill would reduce revenue to the general fund by four percent of the handle, revenue to the city where the track is located by one-half a percent of the handle, and revenue to the county where the track is located by one-half a percent of the handle. Based upon the projected handle, this would be a decrease in total revenue of \$2,062,500.

Source: Iowa Racing Commission

(4224S,84-280B,JMN)

FILED:
MARCH 20, 1984

BY DENNIS C. PROUTY, DIRECTOR
LEGISLATIVE FISCAL BUREAU

S. 2328

1 Section 1. Section 19A.3, Code Supplement 1983, is amended
2 by adding the following new subsection:

3 NEW SUBSECTION. 23. Part-time and seasonal employees
4 of the state racing commission.

5 Sec. 2. Section 12.10, Code Supplement 1983, is amended
6 to read as follows:

7 12.10 DEPOSITS BY STATE OFFICERS. ~~All~~ Except as otherwise
8 provided, all elective and appointive state officers, boards,
9 commissions, and departments, ~~except the state fair board,~~
10 ~~the state board of regents, Iowa state commerce commission,~~
11 ~~and the commissioner of the department of human services,~~
12 shall, within ten days succeeding the collection thereof,
13 deposit, with the treasurer of state, or to the credit of
14 the treasurer of state in any depository designated by the
15 treasurer of state, ninety percent of all fees, commissions,
16 and moneys collected or received, ~~the~~. The balance actually
17 collected in cash, remaining in the hands of any officer,
18 board, or department shall not exceed the sum of five thousand
19 dollars and money collected shall not be held more than thirty
20 days. This section does not apply to the state fair board,
21 the state board of regents, the Iowa state commerce commission,
22 the commissioner of the department of human services, the
23 Iowa housing finance authority or to the funds received by
24 the state racing commission under section 99D.7 and 99D.14.

25 Sec. 3. Section 99D.2, subsection 6, Code Supplement 1983,
26 is amended to read as follows:

27 6. "Race", "racing", "race meeting", "track", and
28 "racetrack" refer to dog racing and horse racing, including,
29 but not limited to, quarterhorse, thoroughbred, and harness
30 racing, as approved by the commission.

31 Sec. 4. Section 99D.5, subsection 5, Code Supplement 1983,
32 is amended to read as follows:

33 5. A member, employee, or appointee of the commission,
34 ~~or a family member related within the second degree of affinity~~
35 ~~or consanguinity to a member, employee, or appointee of the~~

1 ~~commission~~ or spouse of a member, employee, or appointee of
2 the commission shall not knowingly:

3 ~~a. -- Enter directly or indirectly into any business dealing,~~
4 ~~venture, or contract with an owner or lessee of a racetrack,~~
5 ~~a licensee, or a holder of an occupational license.~~

6 ~~b. -- Be employed in any capacity by a racetrack, licensee,~~
7 ~~or a holder of an occupational license.~~

8 a. Have a pecuniary interest in or engage in a business
9 or employment which would interfere or conflict with the
10 proper discharge of the duties of the commission including
11 any of the following:

12 (1) A business which does business with a licensee.

13 (2) A business issued a concession operator's license.

14 e b. Participate directly or indirectly as an owner,
15 owner-trainer, trainer of a horse or dog, or jockey of a horse
16 in a race meeting conducted in this state.

17 d c. Place a wager on an entry in a race.

18 ~~Violations~~ A violation of this subsection shall be is a
19 serious misdemeanor. In addition, the individual may be
20 subject to disciplinary actions pursuant to the commission
21 rules.

22 Sec. 5. Section 99D.7, subsections 2 and 6, Code Supplement
23 1983, is amended to read as follows:

24 2. To identify occupations within the racing industry
25 which require licensing and adopt standards for licensing
26 the occupations including establishing fees for the
27 occupational licenses. The fees shall be paid to the
28 commission and used as required in section 99D.17 and section
29 99D.18.

30 6. To establish and provide for the disposition of fees
31 for the testing of animals sufficient to cover the costs of
32 the tests and to purchase the necessary equipment for the
33 testing.

34 Sec. 6. Section 99D.9, subsection 1, Code Supplement 1983,
35 is amended to read as follows:

1. If the commission is satisfied that its rules and sections 99D.8 through 99D.25 applicable to licensees have been or will be complied with, it may issue a license for a period of not more than ~~one-year~~ three years. The commission may decide which types of racing it will permit. The commission may permit dog racing, horse racing of various types or both dog and horse racing. The commission shall decide the number, location, and type of all racetracks licensed under this chapter. The license shall set forth the name of the licensee, the type of license granted, the place where the race meeting is to be held, and the time and number of days during which racing may be conducted by the licensee. ~~The commission shall not approve a license application if any part of the racetrack is to be constructed on prime farmland outside the city limits of an incorporated city.~~ A license is not transferable or assignable. The commission may revoke any license issued for good cause upon reasonable notice and hearing.

Sec. 7. Section 99D.9, subsection 2, paragraph a, Code Supplement 1983, is amended to read as follows:

a. The nonprofit corporation or association shall not, by a lease, contract, understanding, or arrangement of any kind, grant, assign, or turn over to a person the operation ~~or management~~ of a race meeting licensed under this section or of the pari-mutuel system of wagering described in section 99D.11.

Sec. 8. Section 99D.9, subsection 6, Code Supplement 1983, is amended to read as follows:

6. A licensee may not loan ~~or give~~ to any person money or any other thing of value for the purpose of permitting that person to wager on any race.

Sec. 9. Section 99D.11, subsection 3, Code Supplement 1983, is amended to read as follows:

3. The licensee may receive wagers of money only from a person present at in a licensed race racing enclosure on

1 a horse or dog in the race selected by the person making the
2 wager to finish first in the race. The person wagering shall
3 acquire an interest in the total money wagered on all horses
4 or dogs in the race as first winners in proportion to the
5 amount of money wagered by the person.

6 Sec. 10. Section 99D.11, subsection 5, Code Supplement
7 1983, is amended to read as follows:

8 5. As each race is run the licensee shall deduct sixteen
9 percent from the total sum wagered on all horses or dogs as
10 first winners. The balance, after deducting breakage, shall
11 be paid to the holders of certificates on the winning horse
12 or dog in the proportion that the amount wagered by each
13 certificate holder bears to the total amount wagered on all
14 horses or dogs in the race as first winners. The licensee
15 shall likewise receive wagers on horses or dogs selected to
16 run second, third, or both, or in combinations the commission
17 may authorize. The method, procedure, and the authority and
18 right of the licensee, as well as the deduction allowed to
19 the licensee, shall be as specified with respect to wagers
20 upon horses or dogs selected to run first. However, the
21 commission may authorize the licensee to deduct a higher
22 percent of the total sum wagered not to exceed twenty percent
23 on multiple or exotic wagering involving more than one horse
24 or dog.

25 Sec. 11. Section 99D.11, subsection 6, Code Supplement
26 1983, is amended by striking the subsection and renumbering
27 the subsequent subsections.

28 Sec. 12. Section 99D.12, Code Supplement 1983, is amended
29 to read as follows:

30 99D.12 BREAKAGE. A licensee shall deduct the breakage
31 from the pari-mutuel pool which shall be distributed ~~in the~~
32 following manner to the breeders of Iowa-foaled horses and
33 Iowa-whelped dogs in the manner described in section 99D.22.
34 The remainder of the breakage shall be distributed as follows:

35 1. In horse races the breakage shall be retained by the

1 licensee to supplement purses for ~~the-race-restricted-to~~ rac
2 won by Iowa-foaled horses as provided in section 99D.22.

3 2. In dog races the breakage shall be distributed as
4 follows:

5 a. Seventy-five percent shall be retained by the licensee
6 to supplement purses for ~~the-race-restricted-to~~ rac
7 by Iowa-whelped dogs as provided in section 99D.22.

8 b. Twenty-five percent shall be retained by the licensee
9 and shall be put into a stake race for Iowa-whelped dogs.

10 All dogs racing in the stake race must have run in at least
11 twelve races during the current racing season at the track
12 sponsoring the stake race to qualify to participate.

13 Sec. 13. Section 99D.13, subsection 2, Code Supplement
14 1983, is amended to read as follows:

15 2. Winnings forfeited under subsection 1 shall ~~esheat~~
16 ~~to-the-state-as-per-chapter-556~~ be retained by the licensee.

17 Sec. 14. Section 99D.14, subsection 4, Code Supplement
18 1983, is amended to read as follows:

19 4. No other license tax, permit tax, occupation tax,
20 ~~excise-tax,~~ or racing fee, shall be levied, assessed, or
21 collected from a licensee by the state or by a political
22 subdivision, except as provided in this chapter.

23 Sec. 15. Section 99D.14, Code Supplement 1983, is amended
24 by adding the following new subsection:

25 NEW SUBSECTION. 5. No other excise tax shall be levied,
26 assessed, or collected from the licensee on horse racing,
27 dog racing, pari-mutuel wagering or admission charges by the
28 state or by a political subdivision, except as provided in
29 this chapter.

30 Sec. 16. Section 99D.15, Code Supplement 1983, is amended
31 to read as follows:

32 99D.15 PARI-MUTUEL WAGERING TAX--RATE.

33 1. A tax of six percent is imposed on the gross sum wagered
34 by the pari-mutuel method at each race meeting. The tax
35 imposed by this section shall be paid by the licensee to the

1 treasurer of state within ten days after the close of each
2 race meeting and shall be distributed as follows:

3 1 a. If the racetrack is located in a city, five percent
4 of the six percent shall be deposited in the general fund
5 of the state. One-half of one percent of the six percent
6 shall be remitted to the treasurer of the city in which the
7 racetrack is located and shall be deposited in the general
8 fund of the city. The remaining one-half of one percent shall
9 be remitted to the treasurer of the county in which the
10 racetrack is located and shall be deposited in the general
11 fund of the county.

12 2 b. If the racetrack is located in an unincorporated
13 part of a county, five and one-half percent of the six percent
14 shall be deposited in the general fund of the state. The
15 remaining one-half of one percent shall be remitted to the
16 treasurer of the county in which the racetrack is located
17 and shall be deposited in the general fund of the county.

18 2. A tax credit of up to five percent of the gross sum
19 wagered per year shall be granted to licensees licensed for
20 horse races and paid into a special fund for the purpose of
21 retiring the annual debt on the cost of construction of the
22 licensed facility. Any portion of the credit not used in
23 a particular year shall be retained by the treasurer of state.
24 A tax credit shall first be assessed against any share going
25 to a city, then to the share going to a county, and then to
26 the share going to the state.

27 Sec. 17. Section 99D.18, Code Supplement 1983, is amended
28 to read as follows:

29 99D.18 SURPLUS FUNDS--HOW USED. From the balance of the
30 funds coming into the hands of the commission pursuant to
31 section 99D.14, fifty thousand dollars shall be used by the
32 Iowa state university college of veterinary medicine to develop
33 further research on the treatment of equine injuries and
34 diseases. The remaining funds shall be ~~divided-into~~ retained
35 by the commission and may be distributed to a research program

1 or project which the commission determines to be worthy and
2 would benefit the racing industry in the state.

3 Sec. 18. Section 99D.21, Code Supplement 1983, is amended
4 to read as follows:

5 99D.21 ANNUAL REPORT OF COMMISSION. The commission shall
6 make an annual report to the governor, for the period ending
7 ~~June-30~~ December 31 of each year. Included in the report
8 shall be an account of the commission's actions, its financial
9 position and results of operation under this chapter, the
10 practical results attained under this chapter, and any
11 recommendations for legislation which the commission deems
12 advisable.

5606 13 Sec. 19. Section 99D.22, Code Supplement 1983, is amended
14 to read as follows:

5751, 5545 15 99D.22 NATIVE HORSES OR DOGS. A licensee shall hold at
16 least one race on each racing day limited to ~~horses-foaled~~
17 ~~or-dogs-whelped-in-Iowa~~ Iowa-foaled horses or Iowa-whelped
18 dogs as defined by the commission. However, if sufficient
19 competition cannot be had among that class of horses or dogs
20 on any day, another race for the day may be substituted.
21 Three percent of the purse won by ~~a-horse-or-dog-in-the-race~~
22 ~~limited-to~~ an Iowa-foaled horses horse or Iowa-whelped ~~dogs~~
23 dog shall be used to promote the horse and dog breeding
24 industries. The three percent shall be withheld by the
25 licensee from the purse breakage and shall be paid at the
26 end of the race meeting to the state department of agriculture
27 which in turn shall deposit it in a special fund to be known
28 as the Iowa horse and dog breeders fund and pay it by December
29 31 of each calendar year to the breeder of the winning Iowa-
30 foaled horse or Iowa-whelped dog.

5600, 5599, 5592
5579, 5578, 5606
5751

31 Sec. 20. Sections 99D.16, 99D.27, 99D.28, and 556.9A are
32 repealed.

33 EXPLANATION

34 This bill amends several aspects of the Iowa Pari-mutuel
35 Wagering Act.

1 Section 1 provides that part-time and seasonal employees
2 of the state racing commission are not under merit employment.

3 Sections 2 and 5 permit the state racing commission to
4 retain occupational license fees and specify that the fees
5 shall be paid to the commission and are available for the
6 commission's use. In addition the commission may provide
7 for the disposition of fees for the testing of animals.

8 Section 3 provides that the commission may authorize any
9 type of horse racing and not just those enumerated.

10 Section 4 amends the restrictions on the activities of
11 a member, employee, or appointee of the commission. The
12 restrictions on family members of commission members,
13 employees, and appointees are eliminated. However, the
14 restrictions are extended to spouses of commission members,
15 employees, and appointees.

16 Section 6 eliminates the restriction that a license shall
17 not be approved for a racetrack if any part of the facility
18 is to be constructed on prime farmland outside the city limits
19 of an incorporated city. The section also allows a license
20 to be issued for three years.

21 Section 7 would permit a licensee to turn over the
22 management but not the operation of the race meeting over
23 to another person.

24 Section 8 permits a licensee to give money or other things
25 of value to a person.

26 Section 9 restricts a licensee to receiving a wager only
27 from a person who is present at a racing enclosure.

28 Sections 10 and 11 allow the commission to authorize
29 withholding an amount up to twenty percent of the gross sum
30 wagered on multiple or exotic wagering involving more than
31 one horse or dog.

32 Sections 12 and 19 provide that a portion of the breakage
33 shall be used to fund the Iowa horse and dog breeders fund.
34 The remainder of the breakage from horse races shall be used
35 to supplement purses won by Iowa-foaled horses. A similar

1 provision is made for purses won by Iowa-whelped dogs for
2 that portion of the breakage generated in dog races that is
3 to be used to supplement purses.

4 Section 13 provides that unclaimed winnings that are
5 forfeited shall be retained by the licensee.

6 Sections 14 and 15 are intended to permit the collection
7 of sales taxes on concession sales.

8 Section 16 provides a tax credit of up to five percent
9 of the gross sum wagered each year to licensees licensed for
10 horse races. The credit is to be used for retiring the annual
11 debt on the cost of construction of the licensee's facility.

12 The section provides for a priority of allocation of the
13 credit among the city, county, and state shares of the tax.

14 Section 17 allows the commission to retain surplus funds
15 not already allocated. The commission may distribute the
16 funds to research programs which the commission determines
17 to be worthy and of benefit to the racing industry in the
18 state.

19 Section 18 adjusts the period for annual report to cover
20 from the period ending June 30 to the period ending December
21 31.

22 Section 20 repeals sections dealing with the department
23 of revenue verifying receipts, the start-up assistance fund,
24 and the prohibition of the use of industrial revenue bonds.

25 This bill becomes effective July 1 following enactment.

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SENATE FILE 2328

S-5751

1 Amend Senate File 2328 as follows:

2 1. Page 7, by striking line 15 and inserting in
3 lieu thereof the following:

4 "99D.22 NATIVE HORSES OR DOGS.

5 1. A licensee shall hold at".

6 2. Page 7, line 18, by inserting after the word
7 "commission." the following: "The commission shall
8 use the standards set in subsection 2 in defining
9 Iowa-foaled thoroughbred horses."

10 3. Page 7, by inserting after line 30 the
11 following:

12 "Sec. ____ Section 99D.22, Code Supplement 1983,
13 is amended by adding the following new subsection:

14 NEW SUBSECTION. 2. For the purposes of this
15 chapter the following shall be considered in
16 determining if a horse is an Iowa-foaled thoroughbred
17 horse:

18 a. All thoroughbred horses foaled in Iowa prior
19 to January 1, 1985, which are registered by the jockey
20 club as Iowa foaled shall be considered to be Iowa
21 foaled.

22 b. After January 1, 1985, eligibility for brood
23 mare residence shall be achieved by meeting at least
24 one of the following rules:

25 (1) Thirty days residency until the foal is
26 inspected, if it foal to a registered Iowa stallion.

27 (2) Thirty days residency until the foal is
28 inspected for brood mares which are bred back to
29 registered Iowa stallions.

30 (3) Continuous residency from December 31 until
31 the foal is inspected if the mare was bred by other
32 than an Iowa registered stallion and which is not
33 bred back to an Iowa registered stallion.

34 c. To be eligible for registration as an Iowa
35 thoroughbred stallion, the following requirements
36 shall be met:

37 (1) A full-year stallion residency, January 1
38 through December 31 for the year of registration.
39 However, horses going to stud for their first season
40 shall be eligible upon registration with residency
41 to continue through December 31.

42 (2) At least fifty-one percent of an Iowa registered
43 stallion shall be owned by bona fide Iowa residents.

44 d. State residency shall not be required for
45 owners of brood mares."

46 4. Renumber as necessary.

S-5751 FILED
APRIL 3, 1984
ADOPTED (p. 1280)

BY NORMAN D. RODGERS

SENATE 13
APRIL 4, 1984

SENATE FILE 2328

5755

Amend the amendment S-5524 to Senate File 2328 as

2 follows:

- 3 1. Page 1, by striking lines 2 and 3 and insert-
4 ing in lieu thereof the following:
5 "1. Page 3, line 19, by striking the word and let-
6 ter "paragraph a" and inserting in lieu thereof
7 the words and letters "paragraphs a and b".
8 2. Page 3, line 20, by striking the word "is"
9 and inserting in lieu thereof the word "are"."

S-5755 FILED & ADOPTED
APRIL 3, 1984 (p. 1282)

BY NORMAN G. RODGERS

SENATE FILE 2328

S-5611

1 Amend Senate File 2328 as follows:

2 1. Page 7, by inserting after line 30 the
3 following:

4 "Sec. 101. Section 419.1, subsection 2, paragraph
5 a, Code Supplement 1983, is amended to read as follows:
6 a. Land, buildings or improvements, whether or
7 not in existence at the time of issuance of the bonds
8 issued under this chapter, which are suitable for
9 the use of a voluntary nonprofit hospital, clinic
10 or health care facility as defined in section 135C.1,
11 subsection 4, or of one or more physicians for an
12 office building to be used exclusively by professional
13 health care providers, including appropriate ancillary
14 facilities, or of a private college or university,
15 or a state institution governed under chapter 262
16 whether for the establishment or maintenance of the
17 college or university, or of an industry or industries
18 for the manufacturing, processing or assembling of
19 agricultural or manufactured products, even though
20 the processed products may require further treatment
21 before delivery to the ultimate consumer, or of a
22 commercial enterprise engaged in storing, warehousing
23 or distributing products of agriculture, mining or
24 industry including but not limited to barge facilities
25 and riverfront improvements useful and convenient
26 for the handling and storage of goods and products,
27 or of a facility for the generation of electrical
28 energy through the use of a renewable energy source
29 including but not limited to hydroelectric and wind
30 generation facilities, or of a facility engaged in
31 research and development activities, or of a national,
32 regional or divisional headquarters facility of a
33 company that does multistate business, or of a museum,
34 library, or tourist information center, or of a
35 telephone company, or of a beginning businessperson
36 for any purpose, or of a commercial amusement or theme
37 park, or of a housing unit or complex for the elderly
38 or handicapped, or of a fair or exposition held in
39 the state, other than the Iowa state fair, which is
40 a member of the association of Iowa fairs, or of a
41 sports facility, or".

S-5611 FILED
MARCH 28, 1984

BY GEORGE R. KINLEY
JAMES GALLAGHER

Adopted 4/3 (p. 1281)

SENATE FILE 2328

S-5646

1 Amend Senate File 2328 as follows:

2 1. Page 6, line 18, by striking the word "five"
3 and inserting in lieu thereof the word "three".

S-5646 FILED
MARCH 29, 1984

BY ARTHUR L. GRATIAS

Done 4/3 (p. 1250)

SENATE FILE 2328

S-5737

Amend Senate File 2328 as follows:

1. Page 1, by striking lines 1 through 4.

S-5737 FILED

BY JULIA B. GENTLEMAN

APRIL 2, 1984

Loach 4/3 (p. 1277)

S-5606

SENATE FILE 2328

1 Amend Senate File 2328 as follows:

2 1. Page 1, line 28, by striking the words "dog
3 racing and" and inserting in lieu thereof the words
4 "~~dog-racing-and~~".

5 2. Page 1, by inserting after line 30 the
6 following:

7 "Sec. 101. Section 99D.3, Code Supplement 1983,
8 is amended to read as follows:

9 99D.3 SCOPE OF PROVISIONS. This chapter does
10 not apply to horse-race ~~ex-dog-race~~ meetings unless
11 the pari-mutuel system of wagering is used or intended
12 to be used in connection with the horse-race ~~ex-dog-~~
13 ~~race~~ meetings. If the pari-mutuel system is used
14 or intended to be used a person shall not conduct
15 a race meeting without a license as provided by section
16 99D.9.

17 Sec. 102. Section 99D.4, Code Supplement 1983,
18 is amended to read as follows:

19 99D.4 PARI-MUTUEL WAGERING LEGALIZED. The system
20 of wagering on the results of horse ~~ex-dog~~ races as
21 provided by this chapter is legal, when conducted
22 within the racetrack enclosure at a licensed horse-
23 race ~~ex-dog-race~~ meeting."

24 3. Page 2, line 15, by striking the words "or
25 dog" and inserting in lieu thereof the words "~~ex-dog~~".

26 4. Page 2, by inserting after line 33 the
27 following:

28 "Sec. 103. Section 99D.8, Code Supplement 1983,
29 is amended to read as follows:

30 99D.8 HORSE ~~OR-DOG~~ RACING LICENSES--APPLICATIONS.
31 A qualified nonprofit corporation as defined in section
32 99B.1, subsection 10, organized to promote those
33 purposes enumerated in section 99B.7, subsection 3,
34 paragraph "b", or a nonprofit corporation which
35 conducts a livestock exposition for the promotion
36 of the livestock, or horse-~~ex-dog~~ breeding industries
37 of the state, may apply to the commission for a license
38 to conduct horse ~~ex-dog~~ racing. The application shall
39 be filed with the secretary of the commission at least
40 sixty days before the first day of the horse-race
41 ~~ex-dog-race~~ meeting which the nonprofit corporation
42 or association proposes to conduct, shall specify
43 the day or days when and the exact location where
44 it proposes to conduct racing, and shall be in a form
45 and contain information as the commission prescribes."

46 5. Page 3, line 5, by striking the word "The"
47 and inserting in lieu thereof the word "The".

48 6. Page 3, by striking lines 6 and 7 and inserting
49 in lieu thereof the following: "~~commission-may-permit~~
50 ~~dog-racing-horse-racing-of-various-types-or-both~~

1 ~~dog-and-horse-racing-~~ The commission shall".
2 7. Page 4, line 1, by striking the words "or dog"
3 and inserting in lieu thereof the words "~~or-dog~~".
4 8. Page 4, line 4, by striking the words "or dogs"
5 and inserting in lieu thereof the words "~~or-dogs~~".
6 9. Page 4, by inserting after line 5 the following:
7 "Sec. 104. Section 99D.11, subsection 4, Code
8 Supplement 1983, is amended to read as follows:
9 4. The licensee shall issue to each person wagering
10 a certificate on which shall be shown the number of
11 the race, the amount wagered, and the number or name
12 of the horse ~~or-dog~~ selected as first winner."
13 10. Page 4, line 9, by striking the words "or
14 dogs" and inserting in lieu thereof the words "~~or~~
15 ~~dogs~~".
16 11. Page 4, line 12, by striking the words "or
17 dog" and inserting in lieu thereof the words "~~or-dog~~".
18 12. Page 4, line 15, by striking the words "or
19 dogs".
20 13. Page 4, line 20, by striking the words "or
21 dogs".
22 14. Page 4, line 23, by striking the word "horse"
23 and inserting in lieu thereof the word "horse."
24 15. Page 4, by striking line 24.
25 16. By striking page 4, line 28 through page 5,
26 line 12 and inserting in lieu thereof the following:
27 "Sec. 105. Section 99D.12, Code Supplement 1983,
28 is amended by striking the section and inserting in
29 lieu thereof the following:
30 99D.12 BREAKAGE. A licensee shall deduct the
31 breakage from the pari-mutuel pool. The amount
32 prescribed in section 99D.22 shall be withheld and
33 distributed to the breeders of of Iowa-foaled horses
34 in the manner described in section 99D.22. The
35 remainder shall be retained by the licensee to
36 supplement purses for races won by Iowa-foaled horses
37 as provided in section 99D.22."
38 17. Page 5, by inserting before line 17 the
39 following:
40 "Sec. 106. Section 99D.14, subsection 3, Code
41 Supplement 1983, is amended to read as follows:
42 3. The licensee shall also pay to the commission
43 a licensee fee of two hundred dollars for each racing
44 day of each horse-race ~~or-dog-race~~ meeting for which
45 a license has been issued."
46 18. Page 5, line 27, by striking the words "dog
47 racing," and inserting in lieu thereof the words "~~dog~~
48 ~~race-race~~".
49 19. Page 7, line 15, by striking the words "OR
50 DOGS" and inserting in lieu thereof the words "OR

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PAGE 3

- 1 ~~DOGS~~".
2 20. Page 7, line 17, by striking the words "or
3 Iowa-whelped".
4 21. Page 7, line 18, by striking the word "dogs".
5 22. Page 7, line 19, by striking the words "or
6 dogs" and inserting in lieu thereof the words "ex
7 deg".
8 23. Page 7, line 22, by striking the words "or
9 Iowa-whelped" and inserting in lieu thereof the words
10 "ex-Iowa-whelped".
11 24. Page 7, line 23, by striking the word "dog".
12 25. Page 7, line 23, by striking the words "and
13 dog" and inserting in lieu thereof the words "and
14 deg".
15 26. Page 7, line 24, by striking the word
16 "industries" and inserting in lieu thereof the words
17 "industries industry".
18 27. Page 7, line 28, by striking the words "and
19 dog" and inserting in lieu thereof the words "and
20 deg".
21 28. Page 7, by striking line 30 and inserting
22 in lieu thereof the following: "foaled horse ex-Iowa-
23 whelped-deg."
24 29. Page 7, by inserting before line 31 the
25 following:
26 "Sec. 107. Section 99D.23, subsection 2, Code
27 Supplement 1983, is amended to read as follows:
28 2. The commission shall employ or contract with
29 one or more veterinarians to extract or procure the
30 saliva, urine, blood, or other excretions or body
31 fluids of the horses ex-deg for the chemical testing
32 purposes of this section. A commission veterinarian
33 shall be in attendance at every race meeting held
34 in this state.
35 Sec. 108. Section 99D.25, Code Supplement 1983,
36 is amended to read as follows:
37 99D.25 DRUGGING OR NUMBING OF HORSES OR-DOGS
38 FORBIDDEN--PENALTY.
39 1. As used in this section, unless the context
40 otherwise requires:
41 a. "Drugging" means administering to a horse ex
42 deg any substance, foreign to the natural horse ex
43 deg prior to the start of a race.
44 b. "Numbing" means the applying of ice, dry ice,
45 a cold pack, or a chemical or mechanical freezing
46 device to the limbs of a horse ex-deg within ten hours
47 before the start of a race, or a surgical or other
48 procedure which was, at any time, performed in which
49 the nerves of a horse ex-deg were severed, destroyed,
50 or removed.

1 c. "Entered" means that a horse ~~ex-deg~~ has been
2 registered as a participant in a specified race, and
3 not withdrawn prior to presentation of the horse ~~er~~
4 ~~deg~~ for inspection and testing.
5 2. The general assembly finds that the practice
6 of drugging or numbing a horse ~~ex-deg~~ prior to a race:
7 a. Corrupts the integrity of the sport of racing
8 and promotes criminal fraud in the sport;
9 b. Misleads the wagering public and those desiring
10 to purchase a horse ~~ex-deg~~ as to the condition and
11 ability of the horse ~~ex-deg~~;
12 c. Poses an unreasonable risk of serious injury
13 or death to the rider of a horse and to the riders
14 of other horses competing in the same race; and
15 d. Is cruel and inhumane to the horse ~~ex-deg~~ so
16 drugged or numbed.
17 3. The following conduct is prohibited:
18 a. The entering of a horse ~~ex-deg~~ in a race by
19 the trainer or owner of the horse ~~ex-deg~~ if the trainer
20 or owner knows or if by the exercise of reasonable
21 care the trainer or owner should know that the horse
22 ~~ex-deg~~ is drugged or numbed;
23 b. The drugging or numbing of a horse ~~ex-deg~~ with
24 knowledge or with reason to believe that the horse
25 ~~ex-deg~~ will compete in a race while so drugged or
26 numbed. However, the commission may by rule establish
27 permissible trace levels of substances foreign to
28 the natural horse ~~ex-deg~~ that the commission determines
29 to be innocuous;
30 c. The willful failure by the operator of a racing
31 facility to disqualify a horse ~~ex-deg~~ from competing
32 in a race if the operator has been notified that the
33 horse ~~ex-deg~~ is drugged or numbed, or was not properly
34 made available for tests or inspections as required
35 by the commission; and
36 d. The willful failure by the operator of a racing
37 facility to prohibit a horse ~~ex-deg~~ from racing if
38 the operator has been notified that the horse ~~ex-deg~~
39 has been suspended from racing.
40 4. The owners of a horse ~~ex-deg~~ and their agents
41 and employees shall permit a member of the commission
42 or a person employed or appointed by the commission
43 to make tests as the commission deems proper in order
44 to determine whether a horse ~~ex-deg~~ has been improperly
45 drugged. The findings of the commission that a horse
46 ~~ex-deg~~ has been improperly drugged by a narcotic or
47 other drug are prima facie evidence of the fact.
48 The results of the tests shall be kept on file by
49 the commission for at least one year following the
50 tests.

PAGE 5

1 A person who violates this section is guilty of
2 a class "D" felony."
3 30. Renumber as necessary.

SENATE FILE 2328

S-5592

1 Amend Senate File 2328 as follows:

2 1. Page 1, by striking lines 23 and 24 and
3 inserting in lieu thereof the following: "Iowa housing
A 4 finance authority ~~or to the funds received by the~~
5 ~~state racing commission under section 99D-14.~~"

6 2. Page 3, by striking lines 13 through 16 and
7 inserting in lieu thereof the following: "licensee.
B 8 The commission shall not approve a license application
9 if any part of the racetrack is to be constructed
10 on prime farmland outside the city limits of an
11 incorporated city. A license is not transferable
12 or assignable. The".

C 13 3. Page 3, by striking lines 27 through 31.

D 14 4. Page 5, by striking lines 13 through 16.

E 15 5. By striking page 5, line 30 through page 6,
16 line 26.

F 17 6. Page 7, line 31, by striking the figure
18 "99D.28,".

G 19 7. Page 7, line 31, by striking the word and
20 figure "and 556.9A".

21 8. Renumber as necessary.

S-5592 FILED

BY WILLIAM W. DIELEMAN

MARCH 28, 1984

*A, B, C, D, E, F - Lost. G. wld
4/3 (p. 1279)*

SENATE FILE 2328

S-5599

1 Amend Senate File 2328 as follows:

2 1. Page 7, line 31, by striking the figure
3 "99D.16," and inserting in lieu thereof the figure
4 and word "99D.16 and".

S-5599 FILED

BY WILLIAM W. DIELEMAN

MARCH 28, 1984

7/12 4/3 (p. 1281)

SENATE FILE 2328

S-5600

1 Amend Senate File 2328 as follows:

2 1. Page 7, line 31, by inserting after the figure
3 "99D.27," the word "and".

S-5600 FILED

BY WILLIAM DIELEMAN

MARCH 28, 1984

7/12 4/3 (p. 1281)

SENATE FILE 2328

S-5578

1 Amend Senate File 2328 as follows:
2 1. Page 7, by inserting after line 30 the
3 following:
4 "Sec. 101. Section 99D.24, subsection 4, Code
5 Supplement 1983, is amended by adding the following
6 new lettered paragraphs:
7 NEW LETTERED PARAGRAPH. c. Trains racing dogs
8 in this state and uses live animals, other than the
9 dogs being trained, in the course of that training.
10 NEW LETTERED PARAGRAPH. d. Knowingly permits
11 a racing dog to race in the state if the dog was
12 trained with the use of live animals, other than the
13 dogs being trained, in the course of the training."
14 2. Title page, line 1, by inserting after the
15 words "wagering Act" the words ", providing penalties".

S-5578 FILED

BY WM. W. DIELEMAN

MARCH 28, 1984

Law 4/3 (p. 1251)

SENATE FILE 2328

S-5579

1 Amend Senate File 2328 as follows:
2 1. Page 7, by inserting after line 30 the
3 following:
4 "Sec. 102. Section 99D.24, subsection 4, Code
5 Supplement 1983, is amended by adding the following
6 new lettered paragraph:
7 NEW LETTERED PARAGRAPH. e. A dog that is
8 registered to race at a racetrack licensed under this
9 chapter shall not be sold without the prior approval
10 of the commission."
11 2. Page 7, by inserting after line 30 the
12 following:
13 "Sec. 103. Section 99D.24, subsection 4, Code
14 Supplement 1983, is amended by adding the following
15 new lettered paragraph:
16 NEW LETTERED PARAGRAPH. f. A dog that is registered
17 to race at a racetrack licensed under this chapter
18 shall not be destroyed without the prior approval
19 of the state veterinarian. The state veterinarian
20 shall report to the names of all dogs authorized to be
21 destroyed to the commission."

S-5579 FILED

BY WILLIAM W. DIELEMAN

MARCH 28, 1984

A. 4/2; B. Law 4/3 (p. 1281)

SENATE FILE 2328

S-5591

1 Amend Senate File 2328 as follows:
2 1. Page 3, line 7, by inserting after the word
3 "racing." the words "However, members of the species
4 felis catus of the family felidae shall not be per-
5 mitted to race."

S-5591 FILED

BY JAMES V. GALLAGHER

MARCH 28, 1984

W/D 4/3 (p. 1280)

SENATE FILE 2328

S-5524

Amend Senate File 2328 as follows:

1. Page 3, line 19, by striking the word and letter "paragraph a,".
2. Page 3, line 26, by inserting after the figure "99D.11." the following: "This section does not prohibit a management contract approved by the commission."
3. Page 3, by inserting after line 26 the following:
 - "b. The nonprofit corporation shall not in any manner permit a person other than the licensee to have a share, percentage, or proportion of the money received for admissions to the race or race meeting ~~or from the operation of the pari-mutuel system.~~"

S-5524 FILED

BY NORMAN G. RODGERS

MARCH 26, 1984

*Adopted 4/3 (p. 1280)
Revised, amended by 5755 & adopted 4/3 (p. 1282)*

SENATE FILE 2328

S-5529

Amend Senate File 2328 as follows:

1. Page 6, line 22, by inserting after the word "facility." the following: "If the licensee is a county or district fair society operating pursuant to chapter 174, then the licensee may use the tax credit for the operation and maintenance of the fair-ground."

S-5529 FILED

BY NORMAN G. RODGERS

MARCH 26, 1984

Law 4/3 (p. 1280)

SENATE FILE 2328

S-5530

Amend Senate File 2328 as follows:

1. Page 5, by inserting before line 17 the following:
 - "Sec. 102. Section 99D.14, subsection 2, unnumbered paragraph 1, Code Supplement 1983, is amended to read as follows:
 - A Except when a licensee is a county or district fair society operating pursuant to chapter 174, a licensee shall also pay to the commission the sum of fifty cents for each person entering the grounds or enclosure of the licensee upon a ticket of admission.
2. Renumber as necessary.

S-5530 FILED

BY NORMAN G. RODGERS

MARCH 26, 1984

4/5 4/3 (p. 1280)

SENATE FILE 2328

S-5545

1 Amend Senate File 2328 as follows:

2 1. Page 7, line 21, by striking the word "Three"
3 and inserting in lieu thereof the words "Three A sum
4 equal to twelve".

5 2. Page 7, line 24 by striking the word "three"
6 and inserting in lieu thereof the words "three twelve".

S-5545 FILED

MARCH 27, 1984

Adopted 4/3 (p. 1280)

BY NORMAN RODGERS

LEE HOLT

WILLIAM D. PALMER

ARTHUR GRATIAS

EDGAR HOLDEN

GEORGE R. KINLEY

JACK W. HESTER

1 Section 1. Section 19A.3, Code Supplement 1983, is amended
2 by adding the following new subsection:

3 NEW SUBSECTION. 23. Part-time and seasonal employees
4 of the state racing commission.

5 Sec. 2. Section 12.10, Code Supplement 1983, is amended
6 to read as follows:

7 12.10 DEPOSITS BY STATE OFFICERS. ~~All~~ Except as otherwise
8 provided, all elective and appointive state officers, boards,
9 commissions, and departments, ~~except the state fair board,~~
10 ~~the state board of regents, Iowa state commerce commission,~~
11 ~~and the commissioner of the department of human services,~~
12 shall, within ten days succeeding the collection thereof,
13 deposit, with the treasurer of state, or to the credit of
14 the treasurer of state in any depository designated by the
15 treasurer of state, ninety percent of all fees, commissions,
16 and moneys collected or received, ~~the.~~ The balance actually
17 collected in cash, remaining in the hands of any officer,
18 board, or department shall not exceed the sum of five thousand
19 dollars and money collected shall not be held more than thirty
20 days. This section does not apply to the state fair board,
21 the state board of regents, the Iowa state commerce commission,
22 the commissioner of the department of human services, the
23 Iowa housing finance authority or to the funds received by
24 the state racing commission under section 99D.7 and 99D.14.

25 Sec. 3. Section 99D.2, subsection 6, Code Supplement 1983,
26 is amended to read as follows:

27 6. "Race", "racing", "race meeting", "track", and
28 "racetrack" refer to dog racing and horse racing, including,
29 but not limited to, quarterhorse, thoroughbred, and harness
30 racing, as approved by the commission.

31 Sec. 4. Section 99D.5, subsection 5, Code Supplement 1983,
32 is amended to read as follows:

33 5. A member, employee, or appointee of the commission,
34 ~~or a family member related within the second degree of affinity~~
35 ~~or consanguinity to a member, employee, or appointee of the~~

1 commission or spouse of a member, employee, or appointee of
 2 the commission shall not knowingly:

3 ~~a.--Enter-directly-or-indirectly-into-any-business-dealing,~~
 4 ~~venture,-or-contract-with-an-owner-or-lessee-of-a-racetrack,~~
 5 ~~a-licensee,-or-a-holder-of-an-occupational-license.~~

6 ~~b.--Be-employed-in-any-capacity-by-a-racetrack,-licensee,~~
 7 ~~or-a-holder-of-an-occupational-license.~~

8 a. Have a pecuniary interest in or engage in a business
 9 or employment which would interfere or conflict with the
 10 proper discharge of the duties of the commission including
 11 any of the following:

12 (1) A business which does business with a licensee.

13 (2) A business issued a concession operator's license.

14 e b. Participate directly or indirectly as an owner,
 15 owner-trainer, trainer of a horse or dog, or jockey of a horse
 16 in a race meeting conducted in this state.

17 d c. Place a wager on an entry in a race.

18 ~~Violations~~ A violation of this subsection shall be is a
 19 serious misdemeanor. In addition, the individual may be
 20 subject to disciplinary actions pursuant to the commission
 21 rules.

22 Sec. 5. Section 99D.7, subsections 2 and 6, Code Supplement
 23 1983, is amended to read as follows:

24 2. To identify occupations within the racing industry
 25 which require licensing and adopt standards for licensing
 26 the occupations including establishing fees for the
 27 occupational licenses. The fees shall be paid to the
 28 commission and used as required in section 99D.17 and section
 29 99D.18.

30 6. To establish and provide for the disposition of fees
 31 for the testing of animals sufficient to cover the costs of
 32 the tests and to purchase the necessary equipment for the
 33 testing.

34 Sec. 6. Section 99D.9, subsection 1, Code Supplement 1983,
 35 is amended to read as follows:

1 1. If the commission is satisfied that its rules and
2 sections 99D.8 through 99D.25 applicable to licensees have
3 been or will be complied with, it may issue a license for
4 a period of not more than ~~one-year~~ three years. The commission
5 may decide which types of racing it will permit. The
6 commission may permit dog racing, horse racing of various
7 types or both dog and horse racing. The commission shall
8 decide the number, location, and type of all racetracks
9 licensed under this chapter. The license shall set forth
10 the name of the licensee, the type of license granted, the
11 place where the race meeting is to be held, and the time and
12 number of days during which racing may be conducted by the
13 licensee. ~~The commission shall not approve a license~~
14 ~~application if any part of the racetrack is to be constructed~~
15 ~~on prime farmland outside the city limits of an incorporated~~
16 ~~city.~~ A license is not transferable or assignable. The
17 commission may revoke any license issued for good cause upon
18 reasonable notice and hearing.

19 Sec. 7. Section 99D.9, subsection 2, paragraphs a and
20 b, Code Supplement 1983, are amended to read as follows:

21 a. The nonprofit corporation or association shall not,
22 by a lease, contract, understanding, or arrangement of any
23 kind, grant, assign, or turn over to a person the operation
24 ~~or management~~ of a race meeting licensed under this section
25 or of the pari-mutuel system of wagering described in section
26 99D.11. This section does not prohibit a management contract
27 approved by the commission.

28 b. The nonprofit corporation shall not in any manner
29 permit a person other than the licensee to have a share,
30 percentage, or proportion of the money received for admissions
31 to the race or race meeting ~~or from the operation of the pari-~~
32 mutuel system.

33 Sec. 8. Section 99D.9, subsection 6, Code Supplement 1983,
34 is amended to read as follows:

35 6. A licensee may not loan ~~or give~~ to any person money

1 or any other thing of value for the purpose of permitting
2 that person to wager on any race.

3 Sec. 9. Section 99D.11, subsection 3, Code Supplement
4 1983, is amended to read as follows:

5 3. The licensee may receive wagers of money only from
6 a person present at in a licensed ~~race~~ racing enclosure on
7 a horse or dog in the race selected by the person making the
8 wager to finish first in the race. The person wagering shall
9 acquire an interest in the total money wagered on all horses
10 or dogs in the race as first winners in proportion to the
11 amount of money wagered by the person.

12 Sec. 10. Section 99D.11, subsection 5, Code Supplement
13 1983, is amended to read as follows:

14 5. As each race is run the licensee shall deduct sixteen
15 percent from the total sum wagered on all horses or dogs as
16 first winners. The balance, after deducting breakage, shall
17 be paid to the holders of certificates on the winning horse
18 or dog in the proportion that the amount wagered by each
19 certificate holder bears to the total amount wagered on all
20 horses or dogs in the race as first winners. The licensee
21 shall likewise receive wagers on horses or dogs selected to
22 run second, third, or both, or in combinations the commission
23 may authorize. The method, procedure, and the authority and
24 right of the licensee, as well as the deduction allowed to
25 the licensee, shall be as specified with respect to wagers
26 upon horses or dogs selected to run first. However, the
27 commission may authorize the licensee to deduct a higher
28 percent of the total sum wagered not to exceed twenty percent
29 on multiple or exotic wagering involving more than one horse
30 or dog.

31 Sec. 11. Section 99D.11, subsection 6, Code Supplement
32 1983, is amended by striking the subsection and renumbering
33 the subsequent subsections.

34 Sec. 12. Section 99D.12, Code Supplement 1983, is amended
35 to read as follows:

1 99D.12 BREAKAGE. A licensee shall deduct the breakage
2 from the pari-mutuel pool which shall be distributed ~~in the~~
3 ~~following manner~~ to the breeders of Iowa-foaled horses and
4 Iowa-whelped dogs in the manner described in section 99D.22.

5 The remainder of the breakage shall be distributed as follows:

6 1. In horse races the breakage shall be retained by the
7 licensee to supplement purses for ~~the race-restricted to~~ rac
8 won by Iowa-foaled horses as provided in section 99D.22.

9 2. In dog races the breakage shall be distributed as
10 follows:

11 a. Seventy-five percent shall be retained by the licensee
12 to supplement purses for ~~the race-restricted to~~ rac
13 by Iowa-whelped dogs as provided in section 99D.22.

14 b. Twenty-five percent shall be retained by the licensee
15 and shall be put into a stake race for Iowa-whelped dogs.

16 All dogs racing in the stake race must have run in at least
17 twelve races during the current racing season at the track
18 sponsoring the stake race to qualify to participate.

19 Sec. 13. Section 99D.13, subsection 2, Code Supplement
20 1983, is amended to read as follows:

21 2. Winnings forfeited under subsection 1 shall ~~esheat~~
22 ~~to the state as per chapter 556~~ be retained by the licensee.

23 Sec. 14. Section 99D.14, subsection 4, Code Supplement
24 1983, is amended to read as follows:

25 4. No other license tax, permit tax, occupation tax,
26 ~~exeise-tax,~~ or racing fee, shall be levied, assessed, or
27 collected from a licensee by the state or by a political
28 subdivision, except as provided in this chapter.

29 Sec. 15. Section 99D.14, Code Supplement 1983, is amended
30 by adding the following new subsection:

31 NEW SUBSECTION. 5. No other excise tax shall be levied,
32 assessed, or collected from the licensee on horse racing,
33 dog racing, pari-mutuel wagering or admission charges by the
34 state or by a political subdivision, except as provided in
35 this chapter.

1 Sec. 16. Section 99D.15, Code Supplement 1983, is amended
2 to read as follows:

3 99D.15 PARI-MUTUEL WAGERING TAX--RATE.

4 1. A tax of six percent is imposed on the gross sum wagered
5 by the pari-mutuel method at each race meeting. The tax
6 imposed by this section shall be paid by the licensee to the
7 treasurer of state within ten days after the close of each
8 race meeting and shall be distributed as follows:

9 ‡ a. If the racetrack is located in a city, five percent
10 of the six percent shall be deposited in the general fund
11 of the state. One-half of one percent of the six percent
12 shall be remitted to the treasurer of the city in which the
13 racetrack is located and shall be deposited in the general
14 fund of the city. The remaining one-half of one percent shall
15 be remitted to the treasurer of the county in which the
16 racetrack is located and shall be deposited in the general
17 fund of the county.

18 ‡ b. If the racetrack is located in an unincorporated
19 part of a county, five and one-half percent of the six percent
20 shall be deposited in the general fund of the state. The
21 remaining one-half of one percent shall be remitted to the
22 treasurer of the county in which the racetrack is located
23 and shall be deposited in the general fund of the county.

24 2. A tax credit of up to five percent of the gross sum
25 wagered per year shall be granted to licensees licensed for
26 horse races and paid into a special fund for the purpose of
27 retiring the annual debt on the cost of construction of the
28 licensed facility. Any portion of the credit not used in
29 a particular year shall be retained by the treasurer of state.
30 A tax credit shall first be assessed against any share going
31 to a city, then to the share going to a county, and then to
32 the share going to the state.

33 Sec. 17. Section 99D.18, Code Supplement 1983, is amended
34 to read as follows:

35 99D.18 SURPLUS FUNDS--HOW USED. From the balance of the

1 funds coming into the hands of the commission pursuant to
2 section 99D.14, fifty thousand dollars shall be used by the
3 Iowa state university college of veterinary medicine to develop
4 further research on the treatment of equine injuries and
5 diseases. The remaining funds shall be ~~divided into~~ retained
6 by the commission and may be distributed to a research program
7 or project which the commission determines to be worthy and
8 would benefit the racing industry in the state.

9 Sec. 18. Section 99D.21, Code Supplement 1983, is amended
10 to read as follows:

11 99D.21 ANNUAL REPORT OF COMMISSION. The commission shall
12 make an annual report to the governor, for the period ending
13 ~~June-30~~ December 31 of each year. Included in the report
14 shall be an account of the commission's actions, its financial
15 position and results of operation under this chapter, the
16 practical results attained under this chapter, and any
17 recommendations for legislation which the commission deems
18 advisable.

19 Sec. 19. Section 99D.22, Code Supplement 1983, is amended
20 to read as follows:

21 99D.22 NATIVE HORSES OR DOGS.

22 1. A licensee shall hold at least one race on each racing
23 day limited to horses-foaled-or-dogs-whelped-in-Iowa Iowa-
24 foaled horses or Iowa-whelped dogs as defined by the
25 commission. The commission shall use the standards set in
26 subsection 2 in defining Iowa-foaled thoroughbred horses.
27 However, if sufficient competition cannot be had among that
28 class of horses or dogs on any day, another race for the day
29 may be substituted. Three A sum equal to twelve percent of
30 the purse won by a-horse-or-dog-in-the-race-limited-to an
31 Iowa-foaled horses horse or Iowa-whelped dogs dog shall be
32 used to promote the horse and dog breeding industries. The
33 three twelve percent shall be withheld by the licensee from
34 the purse breakage and shall be paid at the end of the race
35 meeting to the state department of agriculture which in turn

1 shall deposit it in a special fund to be known as the Iowa
2 horse and dog breeders fund and pay it by December 31 of each
3 calendar year to the breeder of the winning Iowa-foaled horse
4 or Iowa-whelped dog.

5 Sec. 20. Section 99D.22, Code Supplement 1983, is amended
6 by adding the following new subsection:

7 NEW SUBSECTION. 2. For the purposes of this chapter,
8 the following shall be considered in determining if a horse
9 is an Iowa-foaled thoroughbred horse:

10 a. All thoroughbred horses foaled in Iowa prior to January
11 1, 1985, which are registered by the jockey club as Iowa
12 foaled shall be considered to be Iowa foaled.

13 b. After January 1, 1985, eligibility for brood mare
14 residence shall be achieved by meeting at least one of the
15 following rules:

16 (1) Thirty days residency until the foal is inspected,
17 if in foal to a registered Iowa stallion.

18 (2) Thirty days residency until the foal is inspected
19 for brood mares which are bred back to registered Iowa
20 stallions.

21 (3) Continuous residency from December 31 until the foal
22 is inspected if the mare was bred by other than an Iowa
23 registered stallion and which is not bred back to an Iowa
24 registered stallion.

25 c. To be eligible for registration as an Iowa thoroughbred
26 stallion, the following requirements shall be met:

27 (1) A full-year stallion residency, January 1 through
28 December 31 for the year of registration. However, horses
29 going to stud for their first season shall be eligible upon
30 registration with residency to continue through December 31.

31 (2) At least fifty-one percent of an Iowa registered
32 stallion shall be owned by bona fide Iowa residents.

33 d. State residency shall not be required for owners of
34 brood mares.

35 Sec. 21. Section 419.1, subsection 2, paragraph a, Code

1 Supplement 1983, is amended to read as follows:

2 a. Land, buildings or improvements, whether or not in
3 existence at the time of issuance of the bonds issued under
4 this chapter, which are suitable for the use of a voluntary
5 nonprofit hospital, clinic or health care facility as defined
6 in section 135C.1, subsection 4, or of one or more physicians
7 for an office building to be used exclusively by professional
8 health care providers, including appropriate ancillary
9 facilities, or of a private college or university, or a state
10 institution governed under chapter 262 whether for the
11 establishment or maintenance of the college or university,
12 or of an industry or industries for the manufacturing,
13 processing or assembling of agricultural or manufactured
14 products, even though the processed products may require
15 further treatment before delivery to the ultimate consumer,
16 or of a commercial enterprise engaged in storing, warehousing
17 or distributing products of agriculture, mining or industry
18 including but not limited to barge facilities and riverfront
19 improvements useful and convenient for the handling and storage
20 of goods and products, or of a facility for the generation
21 of electrical energy through the use of a renewable energy
22 source including but not limited to hydroelectric and wind
23 generation facilities, or of a facility engaged in research
24 and development activities, or of a national, regional or
25 divisional headquarters facility of a company that does
26 multistate business, or of a museum, library, or tourist
27 information center, or of a telephone company, or of a
28 beginning businessperson for any purpose, or of a commercial
29 amusement or theme park, or of a housing unit or complex for
30 the elderly or handicapped, or of a fair or exposition held
31 in the state, other than the Iowa state fair, which is a
32 member of the association of Iowa fairs, or of a sports
33 facility, or

34 Sec. 22. Sections 99D.16, 99D.27, 99D.28, and 556.9A are
35 repealed.

SENATE FILE 2328

H-6469

- 1 Amend amendment H-6412 to Senate File 2328 as
- 2 amended, passed and reprinted by the Senate as follows:
- 3 1. Page 2, by inserting before line 1 the
- 4 following:
- 5 " . Page 7, by striking lines 25 and 26 and
- 6 inserting in lieu thereof the following: "department
- 7 of agriculture using standards consistent with this
- 8 section."
- 9 2. Page 2, by striking lines 15 through 19 and
- 10 inserting in lieu thereof the following: "stallions
- 11 for Iowa breeding. A stallion shall stand".
- 12 3. Renumber as necessary.

H-6469 FILED APRIL 19, 1984 BY WOODS of Polk
 ADOPTED (p. 2350)

SENATE FILE 2328

H-6477

- 1 Amend Senate File 2328 as amended, passed and
- 2 reprinted by the Senate as follows:
- 3 1. Page 2, by inserting after line 33 the
- 4 following:
- 5 "Sec. . Section 99D.8A, subsection 5, 1984
- 6 Iowa Acts, House File 2439, section 4, if House File
- 7 2439 becomes law, is amended to read as follows:
- 8 5. ~~The applicant shall consent to authorized~~
- 9 ~~commission employees and agents of the division of~~
- 10 ~~criminal investigation to enter upon the premises~~
- 11 ~~within the race track enclosure, under control of~~
- 12 ~~the licensee, without a warrant, to inspect or~~
- 13 ~~investigate for criminal violations or violations~~
- 14 ~~of the rules adopted by the commission. The consent~~
- 15 ~~to search extends to the applicant's person, personal~~
- 16 ~~property and effects, and any premises which the~~
- 17 ~~applicant occupies or controls, or has the right to~~
- 18 ~~occupy or control. The licensee or a holder of an~~
- 19 occupational license shall consent to agents of the
- 20 division of criminal investigation of the department
- 21 of public safety or commission employees designated
- 22 by the secretary of the commission to the search
- 23 without a warrant of the licensee or holder's person,
- 24 personal property and effects, and premises which
- 25 are located within the racetrack enclosure or adjacent
- 26 facilities under control of the licensee to inspect
- 27 or investigate for criminal violations of this chapter
- 28 or violations of rules adopted by the commission."

H-6477 FILED APRIL 19, 1984 BY ROSENBERG of Story
 ADOPTED (p. 2362)

SENATE FILE 2328

H-6484

- 1 Amend Senate File 2328 as amended, passed, and
- 2 reprinted by the Senate, as follows:
- 3 1. Page 6, by striking lines 24 through 32.
- 4 2. Renumber as necessary.

H-6484 FILED APRIL 19, 1984 BY OSTERBERG of Linn
 ADOPTED (p. 2384)

SENATE FILE 2328

H-6452

1 Amend Senate File 2328 as amended, passed and
2 reprinted by the Senate as follows:
3 1. Page 1, by striking lines 1 through 5.

4-19 FILED APRIL 19, 1984 BY CARPENTER OF CLARK

ADOPTED (g. 2342)

SENATE FILE 2328

H-6464

1 Amend amendment H-6412 to Senate File 2328 as
2 amended, passed and reprinted by the Senate as follows:
3 1. Page 1, by striking lines 3 through 19 and
4 inserting in lieu thereof the following:

5 "1. By striking page 1, line 33 through page 2,
6 line 2 and inserting in lieu thereof the following:

7 "5. A member, ~~employee, or appointee of the~~
8 ~~commission, or a family member related within the~~
9 ~~second degree of affinity or consanguinity to a member,~~
10 ~~employee, or appointee of the commission~~ or a holder
11 of an official's license shall not knowingly:".

12 2. Page 2, line 8, by inserting after the word
13 "pecuniary" the words ", equitable, or other".

14 3. Page 2, line 9, by inserting after the word
15 "would" the words "be a conflict of interest or".

16 4. Page 2, by inserting after line 21 the
17 following:

18 "Sec. ____ . Section 99D.5, Code Supplement 1983,
19 is amended by adding the following new subsection:

20 NEW SUBSECTION. 6. A member, employee, or appointee
21 of the commission, spouse of a member, employee, or
22 appointee of the commission, or a family member related
23 within the second degree of affinity or consanguinity
24 to a member, employee, or appointee of the commission
25 shall not do either of the following:

26 a. Hold an occupational license except an
27 official's license.

28 b. Enter directly or indirectly into any business
29 dealing, venture, or contract with an owner or lessee
30 of a racetrack.

31 A member who knowingly approves of a violation
32 of this subsection is guilty of a serious
33 misdemeanor."

34 2. Renumber as necessary.

H-6464 FILED APRIL 19, 1984 BY ROSENBERG of Story

ADOPTED (g. 2350)

SENATE FILE 2328

H-6412

1 Amend Senate File 2328 as amended, passed, and
2 reprinted by the Senate, as follows:
3 1. By striking page 1, line 34 through page 2,
4 line 13 and inserting in lieu thereof the following:
5 "or a family member related within the second degree
6 of affinity or consanguinity to a member, employee,
7 or appointee of the commission or spouse of a member,
8 employee, or appointee of the commission shall not
9 knowingly:

A 10 a. Enter directly or indirectly into any business
11 dealing, venture, or contract with an owner or lessee
12 of a racetrack, a licensee, or a holder of an
13 occupational license.

14 b. Be employed in any capacity by a racetrack,
15 licensee, or a holder of an occupational license."

16 2. Page 2, line 14, by striking the letters "e
17 b" and inserting in lieu thereof the letter "c".

18 3. Page 2, line 17, by striking the letters "d
19 c" and inserting in lieu thereof the letter "d".

20 4. Page 3, by striking lines 13 through 16 and
21 inserting in lieu thereof the following: "licensee.
22 The commission shall not approve a license application
23 if any part of the racetrack is to be constructed
24 on prime farmland outside the city limits of an
25 incorporated city. As used in this subsection, "prime
26 farmland" means as defined by the United States
27 department of agriculture in 7 C.F.R. sec. 657.5(a).

28 A license is not transferable or assignable. The".

29 5. Page 5, by striking lines 19 through 22.

B 30 6. Page 6, by striking lines 9 through 23 and
31 inserting in lieu thereof the following:

32 "1 a. If the racetrack is located in a city, five
33 percent of the ~~six-percent~~ gross sum wagered shall
34 be deposited in the general fund of the state. One-
35 half of one percent of the ~~six-percent~~ gross sum
36 wagered shall be remitted to the treasurer of the
37 city in which the racetrack is located and shall be
38 deposited in the general fund of the city. The
39 remaining one-half of one percent of the gross sum
40 wagered shall be remitted to the treasurer of the
41 county in which the racetrack is located and shall
42 be deposited in the general fund of the county.

43 2 b. If the racetrack is located in an
44 unincorporated part of a county, five and one-half
45 percent of the ~~six-percent~~ gross sum wagered shall
46 be deposited in the general fund of the state. The
47 remaining one-half of one percent of the gross sum
48 wagered shall be remitted to the treasurer of the
49 county in which the racetrack is located and shall
50 be deposited in the general fund of the county."

H-6412

Page Two

1 7. Page 8, line 4, by inserting after the word
2 "dog." the following: "For the purposes of this
3 section, the breeder of a thoroughbred horse shall
4 be considered to be the owner of the brood mare at
5 the time the foal is dropped."

6 8. Page 8, line 6, by striking the word
7 "subsection" and inserting in lieu thereof the word
8 "subsections".

9 9. Page 8, by inserting after line 34 the
10 following:

11 "NEW SUBSECTION. 3. To facilitate the
12 implementation of this section, the department of
13 agriculture shall do all of the following:

14 a. Adopt standards to qualify thoroughbred
15 stallions for Iowa breeding. The standards shall
16 provide that a stallion shall be at least fifty-one
17 percent owned by a bona fide resident of Iowa and
18 that the Iowa owner has been a resident of the state
19 for at least twelve months. A stallion shall stand
20 for service in the state at the time of the foal's
21 conception and shall not stand for service at any
22 place outside the state during the calendar year in
23 which the foal is conceived.

24 b. Provide for the registration of Iowa-foaled
25 horses and that a horse shall not compete in a race
26 limited to Iowa-foaled horses unless the horse is
27 registered with the department of agriculture. The
28 department may prescribe such forms as necessary to
29 determine the eligibility of a horse.

30 c. The secretary of agriculture shall appoint
31 investigators to determine the eligibility for
32 registration of Iowa-foaled horses.

33 d. Adopt a schedule of fees to be charged to
34 breeders of thoroughbreds to administer this
35 subsection.

36 NEW SUBSECTION. 4. To qualify for the Iowa-horse
37 and dog breeders fund, a dog shall have been whelped
38 in Iowa and raised for the first six months of its
39 life in Iowa. In addition, the owner of the dog shall
40 have been a resident of the state for at least two
41 years prior to the whelping."

42 10. By striking page 8, line 35 through page 9,
43 line 33.

44 11. Page 9, by striking line 34 and inserting
45 in lieu thereof the following:

46 "Sec. 22. Sections 99D.16 and 99D.27 are".

47 12. Renumber as necessary.

H-6412 FILED APRIL 18, 1984 BY COMMITTEE ON WAYS AND MEANS

Adopted A, B as amended by 64691

6464 4/19 (p 2350)

C last (p 2361)

H-6141

1 Amend Senate File 2328 as amended, passed and
 2 reprinted by the Senate as follows:
 3 1. Page 3, line 18, by inserting after the word
 4 "hearing." the following: "The commission shall
 5 conduct a neighborhood impact study to determine the
 6 impact of granting a license on the quality of life
 7 in neighborhoods adjacent to the proposed racetrack
 8 facility. The applicant for the license shall
 9 reimburse the commission for the costs incurred in
 10 making the study. A copy of the study shall be
 11 retained on file with the commission and shall be
 12 a public record. The study shall be completed before
 13 the commission may issue a license for the proposed
 14 facility."

BY SHERZAN of Polk
 CONNORS of Polk
 RENAUD of Polk

H-6141 FILED APRIL 5, 1984

Adopted 4/19 (p. 2384)

SENATE FILE 2328

H-6208

1 Amend Senate File 2328 as amended, passed and
 2 reprinted by the Senate as follows:
 3 1. Page 3, by striking lines 13 through 16 and
 4 inserting in lieu thereof the following: "licensee.
 5 The commission shall not approve a license application
 6 if any part of the racetrack is to be constructed
 7 on prime farmland outside the city limits of an
 8 incorporated city. As used in this subsection, "prime
 9 farmland" means as defined by the United States
 10 department of agriculture in 7 C.F.R. sec. 657.5(a).
 11 A license is not transferable or assignable. The".

H-6208 FILED APRIL 9, 1984

BY HUGHES of Union

Placed out of order 4/19 (p. 2383)

SENATE FILE 2328

H-6209

1 Amend Senate File 2328 as amended, passed and
 2 reprinted by the Senate, as follows:
 3 1. By striking page 8, line 35 through page 9,
 4 line 33.
 5 2. Page 9, line 34, by striking the figure
 6 "99D.28,".

H-6209 FILED APRIL 9, 1984

BY HUGHES of Union

A/D 4/19 (p. 2384)

SENATE FILE 2328

H-6449

1 Amend Senate File 2328 as amended, passed, and
 2 reprinted by the Senate, as follows:
 3 1. Page 3, line 8, by striking the words "number,
 4 location," and inserting in lieu thereof the words
 5 "number, location".
 6 2. Page 3, line 9, by inserting after the word
 7 "chapter." the following: "During any one calendar
 8 year, the commission shall not issue licenses
 9 permitting more than two racetracks for horse racing
 10 or more than one racetrack for dog racing."

H-6449 FILED APRIL 18, 1984

BY BLACK of Jasper

Not german 4/19 (p. 2363)

HOUSE AMENDMENT TO SENATE FILE 2328

S-6053

1 Amend Senate File 2328 as amended, passed, and
2 reprinted by the Senate, as follows:

3 1. By striking page 1, line 33 through page 2,
4 line 2 and inserting in lieu thereof the following:

5 "5. A member, ~~employee, or appointee of the~~
6 ~~commission, or a family member related within the~~
7 ~~second degree of affinity or consanguinity to a member,~~
8 ~~employee, or appointee of the commission~~ or a holder
9 of an official's license shall not knowingly:".

10 2. Page 2, line 8, by inserting after the word
11 "pecuniary" the words "equitable, or other".

12 3. Page 2, line 9, by inserting after the word
13 "would" the words "be a conflict of interest or".

14 4. Page 2, by inserting after line 21 the
15 following:

16 "Sec. ____ . Section 99D.5, Code Supplement 1983,
17 is amended by adding the following new subsection:

18 NEW SUBSECTION. 6. A member, employee, or appointee
19 of the commission, spouse of a member, employee, or
20 appointee of the commission, or a family member related
21 within the second degree of affinity or consanguinity
22 to a member, employee, or appointee of the commission
23 shall not do either of the following:

24 a. Hold an occupational license except an
25 official's license.

26 b. Enter directly or indirectly into any business
27 dealing, venture, or contract with an owner or lessee
28 of a racetrack.

29 A member who knowingly approves of a violation
30 of this subsection is guilty of a serious misdemeanor."

31 5. Page 2, by inserting after line 33 the
32 following:

33 "Sec. ____ . Section 99D.8A, subsection 5, 1984
34 Iowa Acts, House File 2439, section 4, if House File
35 2439 becomes law, is amended to read as follows:

36 5. ~~The applicant shall consent to authorized~~
37 ~~commission employees and agents of the division of~~
38 ~~criminal investigation to enter upon the premises~~
39 ~~within the race track enclosure, under control of~~
40 ~~the licensee, without a warrant, to inspect or~~
41 ~~investigate for criminal violations or violations~~
42 ~~of the rules adopted by the commission. The consent~~
43 ~~to search extends to the applicant's person, personal~~
44 ~~property and effects, and any premises which the~~
45 ~~applicant occupies or controls, or has the right to~~
46 ~~occupy or control~~ The licensee or a holder of an
47 occupational license shall consent to agents of the
48 division of criminal investigation of the department
49 of public safety or commission employees designated
50 by the secretary of the commission to the search

S-6053
PAGE 2

1 without a warrant of the licensee or holder's person,
2 personal property and effects, and premises which
3 are located within the racetrack enclosure or adjacent
4 facilities under control of the licensee to inspect
5 or investigate for criminal violations of this chapter
6 or violations of rules adopted by the commission."

7 6. Page 3, by striking lines 13 through 16 and
8 inserting in lieu thereof the following: "licensee.
9 The commission shall not approve a license application
10 if any part of the racetrack is to be constructed
11 on prime farmland outside the city limits of an
12 incorporated city. As used in this subsection, "prime
13 farmland" means as defined by the United States
14 department of agriculture in 7 C.F.R. sec. 657.5(a).

15 A license is not transferable or assignable. The".
16 7. Page 3, line 18, by inserting after the word
17 "hearing." the following: "The commission shall
18 conduct a neighborhood impact study to determine the
19 impact of granting a license on the quality of life
20 in neighborhoods adjacent to the proposed racetrack
21 facility. The applicant for the license shall
22 reimburse the commission for the costs incurred in
23 making the study. A copy of the study shall be
24 retained on file with the commission and shall be
25 a public record. The study shall be completed before
26 the commission may issue a license for the proposed
27 facility."

28 8. Page 5, by striking lines 19 through 22.

29 9. Page 6, by striking lines 9 through 23 and
30 inserting in lieu thereof the following:

31 "1 a. If the racetrack is located in a city, five
32 percent of the ~~six-percent~~ gross sum wagered shall
33 be deposited in the general fund of the state. One-
34 half of one percent of the ~~six-percent~~ gross sum
35 wagered shall be remitted to the treasurer of the
36 city in which the racetrack is located and shall be
37 deposited in the general fund of the city. The
38 remaining one-half of one percent of the gross sum
39 wagered shall be remitted to the treasurer of the
40 county in which the racetrack is located and shall
41 be deposited in the general fund of the county.

42 2 b. If the racetrack is located in an
43 unincorporated part of a county, five and one-half
44 percent of the ~~six-percent~~ gross sum wagered shall
45 be deposited in the general fund of the state. The
46 remaining one-half of one percent of the gross sum
47 wagered shall be remitted to the treasurer of the
48 county in which the racetrack is located and shall
49 be deposited in the general fund of the county."

50 10. Page 6, by striking lines 24 through 32.

S-6053
PAGE 3

1 11. Page 7, by striking lines 25 and 26 and
2 inserting in lieu thereof the following: "department
3 of agriculture using standards consistent with this
4 section."

5 12. Page 8, line 4, by inserting after the word
6 "dog." the following: "For the purposes of this
7 section, the breeder of a thoroughbred horse shall
8 be considered to be the owner of the brood mare at
9 the time the foal is dropped."

10 13. Page 8, line 6, by striking the word
11 "subsection" and inserting in lieu thereof the word
12 "subsections".

13 14. Page 8, by inserting after line 34 the
14 following:

15 "NEW SUBSECTION. 3. To facilitate the
16 implementation of this section, the department of
17 agriculture shall do all of the following:

18 a. Adopt standards to qualify thoroughbred
19 stallions for Iowa breeding. A stallion shall stand
20 for service in the state at the time of the foal's
21 conception and shall not stand for service at any
22 place outside the state during the calendar year in
23 which the foal is conceived.

24 b. Provide for the registration of Iowa-foaled
25 horses and that a horse shall not compete in a race
26 limited to Iowa-foaled horses unless the horse is
27 registered with the department of agriculture. The
28 department may prescribe such forms as necessary to
29 determine the eligibility of a horse.

30 c. The secretary of agriculture shall appoint
31 investigators to determine the eligibility for
32 registration of Iowa-foaled horses.

33 d. Adopt a schedule of fees to be charged to
34 breeders of thoroughbreds to administer this
35 subsection.

36 NEW SUBSECTION. 4. To qualify for the Iowa horse
37 and dog breeders fund, a dog shall have been whelped
38 in Iowa and raised for the first six months of its
39 life in Iowa. In addition, the owner of the dog shall
40 have been a resident of the state for at least two
41 years prior to the whelping."

42 15. Renumber as necessary.

S-6053 FILED RECEIVED FROM THE HOUSE
APRIL 20, 1984
SENATE AMENDED & CONCURRED
(6055)

SENATE FILE 2328

S-6055

Amend House amendment S-6053 to Senate File 2328
2 as amended, passed, and reprinted by the Senate, as
3 follows:

- A 4 1. Page 2, by striking line 50.
- 5 2. Page 3, by striking lines 39 through 41 and
- B 6 inserting in lieu thereof the words "life in Iowa."

BY WILLIAM D. PALMER

S-6055 FILED
APRIL 20, 1984

DIVISION A - ADOPTED (p. 1747)
DIVISION B - LOST (1748)

SENATE AMENDMENT TO
HOUSE AMENDMENT TO SENATE FILE 2328

H-6503

1 Amend House amendment S-6053 to Senate File 2328
2 as amended, passed, and reprinted by the Senate, as
3 follows:

- 4 1. Page 2, by striking line 50.

H-6503 FILED APRIL 20, 1984

RECEIVED FROM THE SENATE

House concerned 4/20 (p. 2492)

(House)

SENATE FILE 2328

AN ACT

TO AMEND THE IOWA PARI-MUTUEL WAGERING ACT AND PROVIDING THAT PART-TIME AND SEASONAL EMPLOYEES OF THE RACING COMMISSION ARE NOT UNDER THE MERIT EMPLOYMENT SYSTEM.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. Section 19A.3, Code Supplement 1983, is amended by adding the following new subsection:

NEW SUBSECTION. 23. Part-time and seasonal employees of the state racing commission.

Sec. 2. Section 12.10, Code Supplement 1983, is amended to read as follows:

12.10 DEPOSITS BY STATE OFFICERS. All Except as otherwise provided, all elective and appointive state officers, boards, commissions, and departments, ~~except the state fair board, the state board of regents, Iowa state commerce commission, and the commissioner of the department of human services,~~ shall, within ten days succeeding the collection thereof, deposit, with the treasurer of state, or to the credit of the treasurer of state in any depository designated by the treasurer of state, ninety percent of all fees, commissions, and moneys collected or received, ~~the~~. The balance actually collected in cash, remaining in the hands of any officer, board, or department shall not exceed the sum of five thousand dollars and money collected shall not be held more than thirty days. This section does not apply to the state fair board, the state board of regents, the Iowa state commerce commission, the commissioner of the department of human services, the Iowa housing finance authority or to the funds received by the state racing commission under section 99D.7 and 99D.14.

Sec. 3. Section 99D.2, subsection 6, Code Supplement 1983, is amended to read as follows:

6. "Race", "racing", "race meeting", "track", and "racetrack" refer to dog racing and horse racing, including, but not limited to, quarterhorse, thoroughbred, and harness racing, as approved by the commission.

Sec. 4. Section 99D.5, subsection 5, Code Supplement 1983, is amended to read as follows:

5. A member, ~~employee, or appointee of the commission, or a family member related within the second degree of affinity or consanguinity to a member, employee, or appointee of the commission~~ or a holder of an official's license shall not knowingly:

~~a. Enter directly or indirectly into any business dealing, venture, or contract with an owner or lessee of a racetrack, a licensee, or a holder of an occupational license.~~

~~b. Be employed in any capacity by a racetrack, licensee, or a holder of an occupational license.~~

a. Have a pecuniary, equitable, or other interest in or engage in a business or employment which would be a conflict of interest or interfere or conflict with the proper discharge of the duties of the commission including any of the following:

(1) A business which does business with a licensee.

(2) A business issued a concession operator's license.

~~b.~~ Participate directly or indirectly as an owner, owner-trainer, trainer of a horse or dog, or jockey of a horse in a race meeting conducted in this state.

~~c.~~ Place a wager on an entry in a race.

~~Violations~~ A violation of this subsection shall be is a serious misdemeanor. In addition, the individual may be subject to disciplinary actions pursuant to the commission rules.

Sec. 5. Section 99D.5, Code Supplement 1983, is amended by adding the following new subsection:

NEW SUBSECTION. 6. A member, employee, or appointee of the commission, spouse of a member, employee, or appointee of the commission, or a family member related within the

second degree of affinity or consanguinity to a member, employee, or appointee of the commission shall not do either of the following:

- a. Hold an occupational license except an official's license.
- b. Enter directly or indirectly into any business dealing, venture, or contract with an owner or lessee of a racetrack.

A member who knowingly approves of a violation of this subsection is guilty of a serious misdemeanor.

Sec. 6. Section 99D.7, subsections 2 and 6, Code Supplement 1983, is amended to read as follows:

2. To identify occupations within the racing industry which require licensing and adopt standards for licensing the occupations including establishing fees for the occupational licenses, The fees shall be paid to the commission and used as required in section 99D.17 and section 99D.18.

6. To establish and provide for the disposition of fees for the testing of animals sufficient to cover the costs of the tests and to purchase the necessary equipment for the testing.

Sec. 7. Section 99D.8A, subsection 5, 1984 Iowa Acts, House File 2439, section 4, if House File 2439 becomes law, is amended to read as follows:

~~5. The applicant shall consent to authorized commission employees and agents of the division of criminal investigation to enter upon the premises within the race track enclosure, under control of the licensee, without a warrant, to inspect or investigate for criminal violations or violations of the rules adopted by the commission. The consent to search extends to the applicant's person, personal property and effects, and any premises which the applicant occupies or controls, or has the right to occupy or control. The licensee or a holder of an occupational license shall consent to agents of the division of criminal investigation of the department of public~~

safety or commission employees designated by the secretary of the commission to the search without a warrant of the licensee or holder's person, personal property and effects, and premises which are located within the racetrack enclosure or adjacent facilities under control of the licensee to inspect or investigate for criminal violations of this chapter or violations of rules adopted by the commission.

Sec. 8. Section 99D.9, subsection 1, Code Supplement 1983, is amended to read as follows:

1. If the commission is satisfied that its rules and sections 99D.8 through 99D.25 applicable to licensees have been or will be complied with, it may issue a license for a period of not more than ~~one year~~ three years. The commission may decide which types of racing it will permit. The commission may permit dog racing, horse racing of various types or both dog and horse racing. The commission shall decide the number, location, and type of all racetracks licensed under this chapter. The license shall set forth the name of the licensee, the type of license granted, the place where the race meeting is to be held, and the time and number of days during which racing may be conducted by the licensee. The commission shall not approve a license application if any part of the racetrack is to be constructed on prime farmland outside the city limits of an incorporated city. As used in this subsection, "prime farmland" means as defined by the United States department of agriculture in 7 C.F.R. sec. 657.5(a). A license is not transferable or assignable. The commission may revoke any license issued for good cause upon reasonable notice and hearing. The commission shall conduct a neighborhood impact study to determine the impact of granting a license on the quality of life in neighborhoods adjacent to the proposed racetrack facility. The applicant for the license shall reimburse the commission for the costs incurred in making the study. A copy of the study shall be retained on file with the commission

and shall be a public record. The study shall be completed before the commission may issue a license for the proposed facility.

Sec. 9. Section 99D.9, subsection 2, paragraphs a and b, Code Supplement 1983, are amended to read as follows:

a. The nonprofit corporation or association shall not, by a lease, contract, understanding, or arrangement of any kind, grant, assign, or turn over to a person the operation ~~or management~~ of a race meeting licensed under this section or of the pari-mutuel system of wagering described in section 99D.11. This section does not prohibit a management contract approved by the commission.

b. The nonprofit corporation shall not in any manner permit a person other than the licensee to have a share, percentage, or proportion of the money received for admissions to the race or race meeting ~~or from the operation of the pari-mutuel system.~~

Sec. 10. Section 99D.9, subsection 6, Code Supplement 1983, is amended to read as follows:

6. A licensee may not loan ~~or give~~ to any person money or any other thing of value for the purpose of permitting that person to wager on any race.

Sec. 11. Section 99D.11, subsection 3, Code Supplement 1983, is amended to read as follows:

3. The licensee may receive wagers of money only from a person present ~~at in~~ a licensed ~~race~~ racing enclosure on a horse or dog in the race selected by the person making the wager to finish first in the race. The person wagering shall acquire an interest in the total money wagered on all horses or dogs in the race as first winners in proportion to the amount of money wagered by the person.

Sec. 12. Section 99D.11, subsection 5, Code Supplement 1983, is amended to read as follows:

5. As each race is run the licensee shall deduct sixteen percent from the total sum wagered on all horses or dogs as

first winners. The balance, after deducting breakage, shall be paid to the holders of certificates on the winning horse or dog in the proportion that the amount wagered by each certificate holder bears to the total amount wagered on all horses or dogs in the race as first winners. The licensee shall likewise receive wagers on horses or dogs selected to run second, third, or both, or in combinations the commission may authorize. The method, procedure, and the authority and right of the licensee, as well as the deduction allowed to the licensee, shall be as specified with respect to wagers upon horses or dogs selected to run first. However, the commission may authorize the licensee to deduct a higher percent of the total sum wagered not to exceed twenty percent on multiple or exotic wagering involving more than one horse or dog.

Sec. 13. Section 99D.11, subsection 6, Code Supplement 1983, is amended by striking the subsection and renumbering the subsequent subsections.

Sec. 14. Section 99D.12, Code Supplement 1983, is amended to read as follows:

99D.12 BREAKAGE. A licensee shall deduct the breakage from the pari-mutuel pool which shall be distributed ~~in the following manner to the breeders of Iowa-foaled horses and Iowa-whelped dogs in the manner described in section 99D.22.~~ The remainder of the breakage shall be distributed as follows:

1. In horse races the breakage shall be retained by the licensee to supplement purses for ~~the race-restricted-to~~ races won by Iowa-foaled horses as provided in section 99D.22.

2. In dog races the breakage shall be distributed as follows:

a. Seventy-five percent shall be retained by the licensee to supplement purses for ~~the race-restricted-to~~ races won by Iowa-whelped dogs as provided in section 99D.22.

b. Twenty-five percent shall be retained by the licensee and shall be put into a stake race for Iowa-whelped dogs.

All dogs racing in the stake race must have run in at least twelve races during the current racing season at the track sponsoring the stake race to qualify to participate.

Sec. 15. Section 99D.14, subsection 4, Code Supplement 1983, is amended to read as follows:

4. No other license tax, permit tax, occupation tax, ~~excise-tax~~, or racing fee, shall be levied, assessed, or collected from a licensee by the state or by a political subdivision, except as provided in this chapter.

Sec. 16. Section 99D.14, Code Supplement 1983, is amended by adding the following new subsection:

NEW SUBSECTION. 5. No other excise tax shall be levied, assessed, or collected from the licensee on horse racing, dog racing, pari-mutuel wagering or admission charges by the state or by a political subdivision, except as provided in this chapter.

Sec. 17. Section 99D.15, Code Supplement 1983, is amended to read as follows:

99D.15 PARI-MUTUEL WAGERING TAX--RATE.

1. A tax of six percent is imposed on the gross sum wagered by the pari-mutuel method at each race meeting. The tax imposed by this section shall be paid by the licensee to the treasurer of state within ten days after the close of each race meeting and shall be distributed as follows:

1 a. If the racetrack is located in a city, five percent of the ~~six-percent~~ gross sum wagered shall be deposited in the general fund of the state. One-half of one percent of the ~~six-percent~~ gross sum wagered shall be remitted to the treasurer of the city in which the racetrack is located and shall be deposited in the general fund of the city. The remaining one-half of one percent of the gross sum wagered shall be remitted to the treasurer of the county in which the racetrack is located and shall be deposited in the general fund of the county.

2 b. If the racetrack is located in an unincorporated part of a county, five and one-half percent of the ~~six-percent~~ gross sum wagered shall be deposited in the general fund of the state. The remaining one-half of one percent of the gross sum wagered shall be remitted to the treasurer of the county in which the racetrack is located and shall be deposited in the general fund of the county.

2. A tax credit of up to five percent of the gross sum wagered per year shall be granted to licensees licensed for horse races and paid into a special fund for the purpose of retiring the annual debt on the cost of construction of the licensed facility. Any portion of the credit not used in a particular year shall be retained by the treasurer of state. A tax credit shall first be assessed against any share going to a city, then to the share going to a county, and then to the share going to the state.

Sec. 18. Section 99D.18, Code Supplement 1983, is amended to read as follows:

99D.18 SURPLUS FUNDS--HOW USED. From the balance of the funds coming into the hands of the commission pursuant to section 99D.14, fifty thousand dollars shall be used by the Iowa state university college of veterinary medicine to develop further research on the treatment of equine injuries and diseases. The remaining funds shall be ~~divided-into~~ retained by the commission and may be distributed to a research program or project which the commission determines to be worthy and would benefit the racing industry in the state.

Sec. 19. Section 99D.21, Code Supplement 1983, is amended to read as follows:

99D.21 ANNUAL REPORT OF COMMISSION. The commission shall make an annual report to the governor, for the period ending ~~June-30~~ December 31 of each year. Included in the report shall be an account of the commission's actions, its financial position and results of operation under this chapter, the practical results attained under this chapter, and any

recommendations for legislation which the commission deems advisable.

Sec. 20. Section 99D.22, Code Supplement 1983, is amended to read as follows:

99D.22 NATIVE HORSES OR DOGS.

1. A licensee shall hold at least one race on each racing day limited to ~~horses-foaled-or-dogs-whelped-in-Iowa~~ Iowa-foaled horses or Iowa-whelped dogs as defined by the department of agriculture using standards consistent with this section.

However, if sufficient competition cannot be had among that class of horses or dogs on any day, another race for the day may be substituted. ~~Three~~ A sum equal to twelve percent of the purse won by ~~a-horse-or-dog-in-the-race-limited-to an~~ an Iowa-foaled ~~horses~~ horse or Iowa-whelped ~~dogs~~ dog shall be used to promote the horse and dog breeding industries. The ~~three~~ twelve percent shall be withheld by the licensee from the purse breakage and shall be paid at the end of the race meeting to the state department of agriculture which in turn shall deposit it in a special fund to be known as the Iowa horse and dog breeders fund and pay it by December 31 of each calendar year to the breeder of the winning Iowa-foaled horse or Iowa-whelped dog. For the purposes of this section, the breeder of a thoroughbred horse shall be considered to be the owner of the brood mare at the time the foal is dropped.

Sec. 21. Section 99D.22, Code Supplement 1983, is amended by adding the following new subsections:

NEW SUBSECTION. 2. For the purposes of this chapter, the following shall be considered in determining if a horse is an Iowa-foaled thoroughbred horse:

a. All thoroughbred horses foaled in Iowa prior to January 1, 1985, which are registered by the jockey club as Iowa foaled shall be considered to be Iowa foaled.

b. After January 1, 1985, eligibility for brood mare residence shall be achieved by meeting at least one of the following rules:

(1) Thirty days residency until the foal is inspected, if in foal to a registered Iowa stallion.

(2) Thirty days residency until the foal is inspected for brood mares which are bred back to registered Iowa stallions.

(3) Continuous residency from December 31 until the foal is inspected if the mare was bred by other than an Iowa registered stallion and which is not bred back to an Iowa registered stallion.

c. To be eligible for registration as an Iowa thoroughbred stallion, the following requirements shall be met:

(1) A full-year stallion residency, January 1 through December 31 for the year of registration. However, horses going to stud for their first season shall be eligible upon registration with residency to continue through December 31.

(2) At least fifty-one percent of an Iowa registered stallion shall be owned by bona fide Iowa residents.

d. State residency shall not be required for owners of brood mares.

NEW SUBSECTION. 3. To facilitate the implementation of this section, the department of agriculture shall do all of the following:

a. Adopt standards to qualify thoroughbred stallions for Iowa breeding. A stallion shall stand for service in the state at the time of the foal's conception and shall not stand for service at any place outside the state during the calendar year in which the foal is conceived.

b. Provide for the registration of Iowa-foaled horses and that a horse shall not compete in a race limited to Iowa-foaled horses unless the horse is registered with the department of agriculture. The department may prescribe such forms as necessary to determine the eligibility of a horse.

c. The secretary of agriculture shall appoint investigators to determine the eligibility for registration of Iowa-foaled horses.

d. Adopt a schedule of fees to be charged to breeders of thoroughbreds to administer this subsection.

NEW SUBSECTION. 4. To qualify for the Iowa horse and dog breeders fund, a dog shall have been whelped in Iowa and raised for the first six months of its life in Iowa. In addition, the owner of the dog shall have been a resident of the state for at least two years prior to the whelping.

Sec. 22. Section 419.1, subsection 2, paragraph a, Code Supplement 1983, is amended to read as follows:

a. Land, buildings or improvements, whether or not in existence at the time of issuance of the bonds issued under this chapter, which are suitable for the use of a voluntary nonprofit hospital, clinic or health care facility as defined in section 135C.1, subsection 4, or of one or more physicians for an office building to be used exclusively by professional health care providers, including appropriate ancillary facilities, or of a private college or university, or a state institution governed under chapter 262 whether for the establishment or maintenance of the college or university, or of an industry or industries for the manufacturing, processing or assembling of agricultural or manufactured products, even though the processed products may require further treatment before delivery to the ultimate consumer, or of a commercial enterprise engaged in storing, warehousing or distributing products of agriculture, mining or industry including but not limited to barge facilities and riverfront improvements useful and convenient for the handling and storage of goods and products, or of a facility for the generation of electrical energy through the use of a renewable energy source including but not limited to hydroelectric and wind generation facilities, or of a facility engaged in research and development activities, or of a national, regional or divisional headquarters facility of a company that does multistate business, or of a museum, library, or tourist information center, or of a telephone company, or of a

beginning businessperson for any purpose, or of a commercial amusement or theme park, or of a housing unit or complex for the elderly or handicapped, or of a fair or exposition held in the state, other than the Iowa state fair, which is a member of the association of Iowa fairs, or of a sports facility, or

Sec. 23. Sections 99D.16, 99D.27, 99D.28, and 556.9A are repealed.

CHARLES P. MILLER
President Pro Tempore of the
Senate

DONALD D. AVENSON
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 2328, Seventieth General Assembly.

K. MARIE THAYER
Secretary of the Senate

Approved May 11, 1984

TERRY E. BRANSTAD
Governor